



San Diego City Attorney **MICHAEL J. AGUIRRE**

NEWS RELEASE

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CITY EMPLOYEES ENTITLED TO PERIODIC RETIREMENT STATEMENTS THAT DISCLOSE THE PENSION'S UNFUNDED LIABILITY *CITY ATTORNEY RECOMMENDS FOLLOWING THE LEAD OF THE SOCIAL SECURITY ADMINISTRATION*

San Diego, CA: City employees are entitled to pension statements by the San Diego City Employees' Retirement System (SDCERS) that provide them with an estimate of their current retirement benefits, their expected pension at the time of retirement, and the estimated retirement benefit as reduced by the unfunded liability which is close to \$2 billion. City Attorney Michael Aguirre sent a letter today to SDCERS' acting administrator Robert Wilson requesting that SDCERS, as part of its fiduciary duty, begin providing system members with a periodic statement detailing retirement account balances and how those balances are impacted by the unfunded liability.

"SDCERS should follow the lead of our Social Security System which fully discloses to workers that the financial status of the federal program is at risk and that changes need to be made before 2042 when the fund will be exhausted," said City Attorney Aguirre. "With no information coming to them from retirement officials, city workers have no clue of just how serious their pension system is under funded," he added.

The Social Security Administration issues an annual statement that includes the following disclaimer: "Without changes, by 2042 the Social Security Trust Fund will be exhausted. By then the number of Americans 65 or older is expected to have doubled. There won't be enough younger people working to pay all of the benefits owed to those who are retiring. At that point, there will be enough money to pay only about 73 cents for each dollar of scheduled benefits. We will need to resolve these issues soon to make sure Social Security continues to provide a foundation of protection for future generations as it has done in the past."

"It is estimated that there is only 58 cents for each dollar of scheduled benefits for those who will retire in the future," said City Attorney Aguirre. "City employees are absolutely entitled to this information. Employees should be educated about the current state of the system in order to make informed decisions about their future."

The City employees' retirement system is under multiple federal investigations as a result of decisions made by City officials to under fund the pension in 1996 and 2002 in exchange for increasing pension benefits.

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